

27 July 2015

Inquiry into the Fairer Paid Parental Leave Amendment Bill 2015
Senate Community Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
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Dear Committee Members,

Paid parental leave in the best interests of children

Save the Children strongly rejects the proposed parental leave amendments to remove access to Government paid parental leave for working parents entitled to additional employer-funded paid parental leave.

Save the Children objects to any dilution of the Paid Parental Leave (PPL) scheme. The current scheme is an affordable model based on co-contribution from Government, employers and individuals. It meets the twin objectives of enhancing child and maternal well-being and supporting parental work force participation.

The universal Government scheme (18 weeks at minimum wage) complements additional paid leave that employees are able to obtain by negotiation with employers. The public policy aim should be to facilitate total paid leave up to at least 26 weeks to aid exclusive breastfeeding, in accordance with the best interests of children and working parents. At 18 weeks, Australia is well below the OECD average of 52 weeks of paid leave available to mothers (OECD Family Database, Length of Paid Leave Available to Mothers, 2014).

Reference to mothers accessing both government and employer entitlements as “double dipping” (Budget Overview 2015) is a misrepresentation and runs counter to (mainly) mothers accessing paid parental leave in a way that facilitates spending as much time as possible with their newborn child. In a survey conducted by *The Parenthood*, 86 percent of respondents said they had been able to extend their parental leave by combining their employer and government entitlements (The Parenthood, Media Release, 10 July 2015).

There is compelling evidence that early attachment and bonding with parents sets children up for life¹. Attachment with mothers is particularly important in the early months. At a minimum, Australian guidelines and the World Health Organization recommend that infants are fed nothing but breast milk for their first six months of life and continue to be breastfed into their first and second year. Good nutrition in infancy is essential for health and cognitive development outcomes.

¹ For example: Sims, M. (2009) *Caring for young children: What children need*; Press, F. (2006) *What about the kids? Policy directions for improving the experiences of infants and young children in a changing world* NSW Commission for Children & Young People, the Queensland Commission for Children and Young People and Child Guardian, and the National Investment for the Early Years; Ruhm, C (2000) Parental leave and child health *Journal of Health Economics*, Volume 19, p931-960

Breastfeeding is facilitated by paid parental leave. In *Save the Children's 2012 State of the World's Mothers* report, we noted that one of the most effective ways to improve breastfeeding rates in advanced countries is to provide longer periods of paid maternity leave. Countries with generous maternity and parental leave policies, such as Denmark, Norway and Sweden, have higher breastfeeding rates. The evaluation of the Australian Government PPL scheme has also found increases in the portion of mothers still breastfeeding at both six and twelve months after birth (University of Queensland, PPL Evaluation: Final Report, 2014).

In addition to child and maternal health benefits, paid parental leave contributes to workforce participation of mothers. International evidence shows that the availability of paid parental leave is associated with enhanced longer-term labour force participation for women (Productivity Commission, Paid Parental Leave report, 2009).

Save the Children is deeply concerned that limiting access to the Government scheme will reduce incentives for employers to co-contribute to paid parental leave. Paid parental leave requires joint commitment from Government, employers and individuals.

Save the Children notes that the legislated objectives of the PPL scheme are to:

- Signal that taking time out of the paid workforce to care for a child is part of the usual course of life and work for both parents; and
- Promote equality between men and women and balance between work and family life.

The scheme is intended to be universal and it must stay that way. Save the Children calls upon the Senate to reject the Paid Parental Leave Amendment Bill 2015.

For further information, please contact Melissa Wells, Senior Economist,

Yours sincerely,

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Chief Executive Officer